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Modelling employee welfare as the mediating effect of job satisfaction on organizational climate

Dr. Renu Bharti*
Agra Public Group of Institutions

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***Corresponding author e-mail:** prittydj08@gmail.com

ABSTRACT

This study explores the intricate relationships between organizational climate, job satisfaction, and employee welfare within the context of India's IT industry. Utilizing data collected through a comprehensive survey, the research analyses the proposed conceptual framework. The results show that a key mediating factor in the link between job satisfaction and organizational environment is employee wellbeing. To be more precise, a supportive work environment raises job satisfaction, which in turn benefits worker wellbeing. The significance of job satisfaction in converting the advantages of a positive workplace culture into enhanced employee welfare is shown by this mediation effect. For practitioners, these insights provide a sophisticated knowledge of how many characteristics of corporate environment effect employee happiness and welfare. Through the identification of critical elements that influence employee satisfaction, the study provides managers and HR specialists with insightful direction for creating focused plans to promote a happy workplace.

By putting these techniques into practice, companies can improve employee retention and performance by raising job satisfaction and general well-being. By clarifying the mediating role of job satisfaction in the relationship between organizational environment and employee welfare, this study adds to the body of literature already in existence and provides useful recommendations for enhancing workplace happiness in the IT industry.

KEYWORDS: Structural Equation Modelling, Job Satisfaction, Employee Welfare, Organizational Climate

1. INTRODUCTION

In today's organisations, one of the challenges managers and executives face is employee happiness. A favourable work environment and employee well-being are two outcomes that have been linked to employee happiness. Engagement among employees, particularly in the telecom industry, can lead to fruitful results. Given the significance of the telecom sector to the economy, a fuller examination of the organisational environment is warranted. In India's telecom industry, the link between organisational atmosphere and work satisfaction has received scant attention; further study is required. Both employee happiness and behaviour connected to the workplace are impacted by the corporate environment. Several "psychological components," or employees' views of their environment, make up the organisational climate (James et al., 2008). However, because it is entirely dependent on employee perceptions, it is not always simple to understand.

According to Churchill (1976), the whole of the social elements that comprise an employee's work environment is the organizational climate. According to Gunlu et al. (2010), employee satisfaction is the state in which employees see their occupations and associated elements, including compensation, work conditions, communication among coworkers, and their surroundings with other people. The purpose of the study was to get further insight into the relationship between workplace culture and employee job satisfaction, as well as the role that employee welfare plays in this relationship. The study seeks to produce new knowledge in the sector and benchmark employee happiness to ensure staff productivity and long-term employee retention.

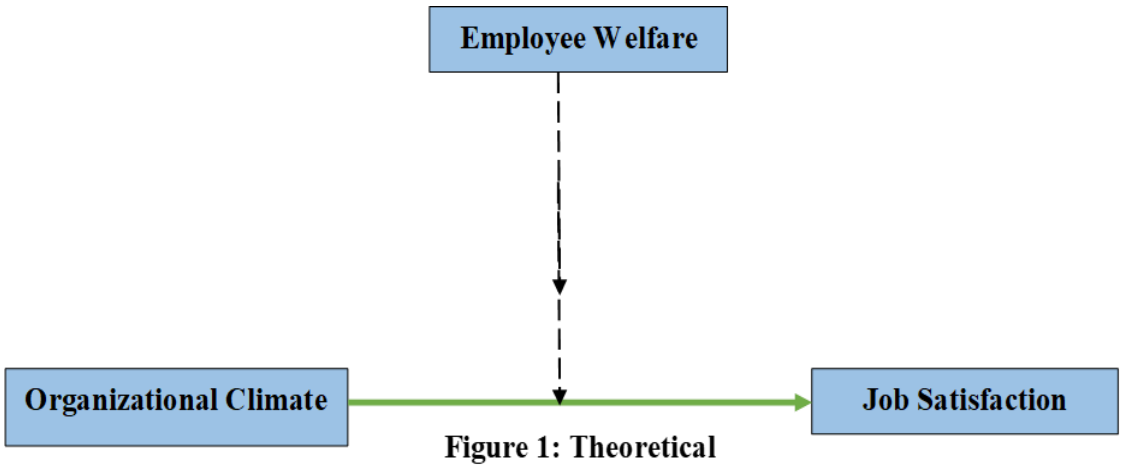


Figure 1: Theoretical framework

(Source: Compiled for this study)

2. REVIEW OF LITERATURE

2.1 Organizational Climate:

As defined by Forehand & Von Haller (1964), "organizational climate" is "a set of features that characterize an organization and I separate it from others, (ii) survive a long time, and (iii) impact employee behaviour." Organizational characteristics including size, design, structure, and complexity, as well as the physical environment, goals, and initiative style, all affect the climate in this process. The combination of these factors should result in the production of an environment.

An alternative meaning of organizational climate is a group of characteristics unique to a given organization that arise from interactions between its environment and its members. The phrase "climate" describes how an organization shifts between fixed attributes such as degree of autonomy and factors that affect each employee's behaviour, response, and consequence

2.2 Job Satisfaction

Job satisfaction as the way an employee perceives or experiences the nature of their work. Benefits include a trained staff, little absenteeism, good communication, and contented employees. The nature of the job and the employee's expectations of the organisation both affect employee job satisfaction. Welfare facilities are an essential need for workers.

Numerous studies have found that job satisfaction and staff turnover have an impact on the industry

2.3 Employee Welfare

The services, amenities, and advantages that the company offers to its employees in addition to compensation are referred to as employee welfare. Only a small number of businesses provide even statutory employee wellbeing. Employee welfare may be statutory or non-statutory. Facilities for employee wellness at work can significantly affect workers' productivity . Poor welfare facilities are responsible for high staff turnover, low employee productivity, and employee work dissatisfaction.

3. HYPOTHESIS DEVELOPMENT

3.1 Workplace culture, contentment, and welfare of employees:

Several research studies covering every aspect of employee behaviour have shown that an organization's culture affects employee behaviour in ways that go beyond implementing the desired change (Allen, 2003; Gray, 2001). Schneider et al. (1994) state that norms of helpfulness and collaboration, perceptions of fairness and trust, and equitable compensation schemes based on a range of contributions are all critical to fostering a positive work environment. They argue that the performance of the company and the atmosphere at work are influenced by employee behaviour. Job happiness is directly impacted by company culture. Job satisfaction rises in high-achieving businesses (De Clercq & Rius, 2007; Ener & Balli, 2020).

H1: The degree of employee happiness and the organizational climate of the company are significantly related.

The culture of the firm may also have an impact on how employees see initiatives for employee wellbeing. A nice and encouraging workplace can increase employee morale. According to Giorgi et al. (2020), workplace harassment might diminish the perception of organisational welfare measures. However, discovered that the perception of child care (an employee welfare activity) may not be accurately predicted by the organisational environment. Therefore, we suggest.

H2: There is no discernible correlation between the organizational climate and the caliber of work output.

3.2 Employee Welfare and Job Satisfaction:

Numerous studies that examined the effect of employee wellbeing on employee satisfaction discovered that it had a positive effect. Organizations that prioritise employee welfare place a higher priority on it than employee performance (Gabriel & Nwaeke, 2015). Because of their dislike of welfare amenities, employees are dissatisfied with their jobs.

Even though job satisfaction is influenced by employee well-being, this link has not gotten enough attention up to this point .Furthermore, companies that foster a happy work environment reap the benefits of improved employee wellbeing, which in turn boosts customer satisfaction (De Clercq & Rius, 2007; Ener & Balli, 2020). Thus, considering the above debate, we suggest

H3: The welfare of an employee and their level of job satisfaction are closely related.

H4: Worker's welfare acts as a bridge between work environment and job happiness.

3. METHODOLOGY

To gather data, a questionnaire was created using scale items from earlier research that was published. Each survey question has a 5-point Likert scale for grading. Every survey question is characterized using Likert scales and developed eight questions to measure employee well-being. Five items were used to gauge employee satisfaction; four were adapted one from Koys (2001).

Six factors pertaining to organizational climate were assessed using the six components of Sharma and Gupta's scale (2012). The data was acquired via the internet. Participants received an email with a link.

Out of 350 emails, 216 were answered online, yielding a response rate of 61.7%. Additionally, 32 of the 216 total responses had to be dropped, leaving a final sample size of 184 respondents. It was found that crucial details, like the responders' demographics, were missing from each of the 32 incidents. Few individuals answered all the queries. The remaining respondents (N = 184) finished the questionnaire.

Table 1: Demographic Profile

Gender	Male	Female	
	96 (52%)	88 (47%)	
Age (in Years)	18- 21	22-25	26-30
	95(51.6%)	56(30.04%)	33(17.93%)
Education	Undergraduate	Postgraduate	
	95(51.6%)	89(48.3%)	

(Source: Compiled for this study)

4. DATA ANALYSIS & FINDINGS

▯ Does organizational climate determine the level of job Satisfaction?

Table 2: Demographic Profile: organizational climate determines the level of job Satisfaction

Level of acceptance	**Frequency**	**Percentage**	**Cumulative %**
Strongly Disagree	28	**15.13 %**	**15.13 %**
Disagree	22	12.08 %	27.21 %
Undecided	45	24.32 %	51.53 %
Agree	40	21.62 %	73.15 %
Strongly Agree	50	27.02 %	100 %
Total	**185**		

(Source: Compiled for this study) Interpretation

According to the above table, 21.62% of respondents agree that company culture affects employee job satisfaction, whereas 12.08% of respondents disagree. Additionally, we have 24.32% of respondents who are unsure, 15.13% who strongly disagree, and the remaining 27.02% who strongly agree that company culture has an impact on worker job satisfaction.

Ho: The degree of employee happiness and the organizational climate of the company are significantly related.

Table 3: Employee happiness and the Organizational climate

Acceptance level	Observed (O)	Expected (E)	O-E	(O-E)^2	(O-E)^2/E
Strongly Disagree	28	37	-9	81	2.18
Disagree	22	37	-15	225	6.08
Undecided	45	37	8	64	1.72
Agree	40	37	3	9	0.24
Strongly Agree	50	37	13	169	4.56
					14.78

(Source: Compiled for this study)

Interpretation

According to the study above, the chi-square calculated at df 4 is 14.78, which is higher than the tabulated figure of 9.488. This illustrates the alternative hypothesis H1 and disproves hypothesis H0, which suggests a positive correlation between work satisfaction and organizational climate.

Does organizational climate determine the level of job performance?

Table 4: Organizational Climate determines the level of job performance

Level of acceptance	Frequency	Percentage	Cumulative %
Strongly Disagree	30	**16.21%**	**16.21 %**
Disagree	26	14.05%	30.26 %
Undecided	40	21.62%	51.88 %
Agree	52	28.12%	80.00 %
Strongly Agree	37	20.00%	100 %
Total	**185**		

(Source: Compiled for this study)

Interpretation

According to the above table, 28.12% of respondents agree that company culture affects employee work performance, whereas 14.05% of respondents disagree. Furthermore, we have 21.62% of respondents who are unsure, 16.21% who strongly disagree, and the remaining 20.00% who strongly believe that company culture has an impact on employee work performance.

Ho: There is no discernible correlation between the organizational climate and the caliber of work output.

Table 5: organizational climate and the caliber of work output.

Acceptance level	Observed (O)	Expected (E)	O-E	(O-E)^2	(O-E)^2/E
Strongly Disagree	30	37	-7	49	1.32
Disagree	26	37	-11	121	3.27
Undecided	40	37	13	169	4.56
Agree	52	37	15	225	6.08
Strongly Agree	37	37	0	0	0.00
					15.23

(Source: Compiled for this study) Interpretation

According to the study above, the chi-square calculated at df 4 is 15.23, which is higher than the tabulated figure of 9.488. This illustrates an alternative hypothesis H1 and rejects H0 which indicate a positive association between organizational atmosphere and job performance.

Does organizational climate determine the level of employee welfare?

Table 6: organizational climate determines the level of employee welfare

Level of acceptance	Frequency	Percentage	Cumulative %

Strongly Disagree	39	**21.08 %**	**21.08 %**
Disagree	31	16.76 %	37.84 %
Undecided	25	13.51 %	51.35 %
Agree	55	29.73 %	81.08 %
Strongly Agree	35	18.92 %	100
Total	**185**		

(Source: Compiled for this study) Interpretation

According to the above table, 297.73 percent of respondents agree that company culture affects employee welfare, whereas 16.76 percent of respondents disagree. Furthermore, we find that 13.51% of respondents are unsure, 21.08% strongly disagree, and the remaining 18.92% strongly agree that company culture has an impact on worker welfare.

H0 There is no discernible correlation between the organizational climate and the caliber of work output.

Table 7: organizational climate and the caliber of work output.

Acceptance level	Observed (O)	Expected (E)	O-E	(O-E) ^2	(O-E) ^2/E
Strongly Disagree	39	37	2	4	0.10
Disagree	31	37	-6	36	.972
Undecided	25	37	-12	144	3.89
Agree	55	37	18	324	8.83
Strongly Agree	35	37	-2	4	.10
					13.89

(Source: Compiled for this study) Interpretation

According to the analysis above, the chi-square at df 4 is calculated to be 13.89, which is higher than the tabulated figure of 9.488. This illustrates the alternative hypothesis H1 and disproves H0, which suggests a favourable correlation between employee welfare and corporate climate.

5. DISCUSSION AND IMPLICATIONS

The purpose of the research is to determine the relationships that exist between job satisfaction, organizational environment, and employee wellbeing as well as the role that employee welfare plays in mediating those relationships. There is a relationship between employee job satisfaction and company culture, according to hypothesis H0. As per analysis, the calculated value of chi-square at df 4 i.e. 14.78 which is greater than tabulated value i.e. 9.488. This illustrates the alternative hypothesis H1 and disproves hypothesis H0, which suggests a positive correlation between work satisfaction and organizational climate. The findings support past study that demonstrated how modifications to the organizational climate will impact adjustments to work satisfaction. Robust connections imply that employee training programs that facilitate the development of technical skill and the culture of the workplace may be the cause. A portion of the relationship between work environment and job satisfaction is mediated by employee well-being. Because of their upbeat culture, people possess a strong mentality and can comprehend and adjust to their surroundings.

It is implied by Hypothesis H1 that job performance and organizational atmosphere are related. Analysis shows that the computed chi-square at df 4 is 15.23, which is higher than the reported value of 9.488. This illustrates the alternative hypothesis H1 and disproves H0, which suggests a favourable correlation between employee welfare and corporate climate.

5.1 Theoretical and Managerial Implications

The research shows a substantial connection between Organizational climate and how employees perceive their welfare metrics that can be examined further using different groups with a focus on education. Research in the past has relating to organisational effectiveness and

work satisfaction yet, there is virtually little in terms of the environment and employee wellbeing. Research was conducted on the services managed for telecom sectors. This void in the literature is filled by research. Satisfaction among employees in the telecom industry. The conceptual model also provides academics with a theoretical framework for understanding the relationships between these constructions. The study also demonstrates that employee wellbeing acts as a mediator between job satisfaction and organizational climate. These results can be confirmed in additional industries. The new study has significant implications for management.

Owners and management take great care to protect company information. The study's practical significance is in its ability to help practitioners understand the factors influencing employee happiness by establishing a connection between the workplace environment, employee welfare programs, and employee satisfaction. The impact of demographics and employee-related traits on job satisfaction were investigated. Managers will find this information helpful in devising strategies to foster employee satisfaction among these workers.

6. CONCLUSION

Examining several facets of employee happiness among telecom workers was the study's main goal. Analyses of data gathered from internet sources were conducted. To enable the study to make a conclusion, the outcomes for each variable were compared with those from previous comparable research. The results demonstrate that organizational climate has a major impact on employee welfare, which in turn affects employee satisfaction.

There are certain limitations to the current research study as well. To begin with, the research is limited to a few variables and how they impact worker satisfaction. Second, only individuals employed in the telecom managed services industry are included in the study. Third, social desirability bias could distort the findings because the study relies on selfreported data. We suggest that future research in the telecom sector look at the various psychological aspects that can influence worker productivity. Subsequent studies should focus on alternative approaches to quantifying worker satisfaction instead of asking workers to selfreport their goals.

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